**UIL Accounting**

**Invitational 2017-B**

**Group 1**

**Decide the general ledger account classification for each item in questions 1 through 7. Mark the identifying letter of the correct choice on your answer sheet using the following account classification code:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Code** | **Account Classification** |  | **Code** | **Account Classification** |
| **A** | **Asset** |  | **O** | **Owner’s Equity** |
| **CM** | **Cost of Merchandise** |  | **R** | **Revenue** |
| **E** | **Expense** |  | **N** | **not an account** |
| **L** | **Liability** |  |  |  |

1. Supplies Expense 5. Cost of Merchandise Available for Sale

2. Sales 6. Merchandise Inventory

3. Sales Tax Payable 7. Purchases

4. Prepaid Insurance

**Group 2**

**A sole proprietorship may be formed to operate either a service or merchandising business. The accounting records and financial statements will vary according to the type of business operation.**

**For items 8 through 18, write the identifying letter of the best response on your answer sheet.**

|  |  |
| --- | --- |
| **A** | **service business only** |
| **B** | **merchandising business only** |
| **C** | **either a service or merchandising business** |
| **D** | **neither a service or merchandising business** |

**Which type of business organized as a sole proprietorship would have the following?**

 8. an account in the general ledger called “Service Fees Earned” when there is only

 one revenue account

 9. an account in the general ledger called “Transportation In”

10. a Schedule of Accounts Receivable

11. an adjustment on the work sheet to an account called “Prepaid Insurance”

12. an account called “Asset Equipment Adjustment for Fair-Market Value”

13. a section on the Income Statement called Cost of Merchandise Sold

14. a Payroll Register

15. a Statement of Owner’s Equity (also called a Statement of Changes in Owner’s

 Equity)

16. an adjustment on the work sheet to an account called “Income Summary”

17. comparative financial statements

18. an account listed on the Post-Closing Trial Balance called “Petty Cash”

**Group 3**

**Write the correct amount on your answer sheet for questions 19 through 25. Following are all the accounts (except capital) of the Forest Co. as of the end of the fiscal year after adjustments. All accounts have normal balances. Forest made one owner investment during the year of $2,500. Supplies purchased are first posted to an asset account. Forest purchased $7,435 of supplies during the current fiscal year.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Account Title** | **Amount** |  | **Account Title** | **Amount** |
| Accounts Payable | 3,785 |  | Rent Expense | 4,200 |
| Accounts Receivable | 2,195 |  | Revenue | 46,950 |
| Advertising Expense | 1,640 |  | Salary Expense | 12,000 |
| Doug Forest, Drawing | 20,000 |  | Supplies | 365 |
| Cash in Bank | 8,430 |  | Supplies Expense | 7,360 |

19. What was the balancing total of the Adjusted Trial Balance columns?

20. What is the balance in the capital account at the end of the fiscal year before closing entries are posted?

\*21. What was the balance in the capital account at the beginning of the fiscal year?

22. What was the amount of net income or net loss for the year?

\*23. What was the capital account balance at the end of the fiscal year after closing entries?

24. What is the amount of total assets that would appear on the Post-Closing Trial Balance?

\*25. What was the balance of the Supplies account at the beginning of the current

 fiscal year?

**Group 4**

**Determine when each of the following items 26 through 35 would be journalized with the salary expense entry, or the payroll tax expense entry, or both. Write the correct identifying letter on your answer sheet using the following code:**

|  |  |
| --- | --- |
| **A** | with the salary expense entry only |
| **B** | with the payroll tax expense entry only |
| **C** | with both the salary expense entry and the payroll tax expense entry |

26. employees’ federal income taxes

27. Union Dues Payable

28. payroll tax expense for the period

29. state unemployment taxes (in this state employees are exempt)

30. net pay for the period

31. Medicare taxes

32. federal unemployment taxes (in this state employees are exempt)

33. Social Security taxes

34. gross earnings for the period

35. health insurance premiums paid by employees

**Group 5**

**The following T-accounts of Weed-B-Gon are presented below. All adjusting and closing entries for the year 2016 have been journalized and posted correctly for this service business organized as a sole proprietorship. The fiscal year end is December.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Jack Gregg, Capital** |  |  | **Jack Gregg, Drawing** |
|  | 47,140 | 01-01-16  | 03-04-16 | 2,000 |  |
|  |  15,000 | 04-18-16 | 08-15-16 |  19,750 |  |
|  | 31,042 | 12-31-16 | 11-13-16 | 3,000 |  |
| 24,750 |  | 12-31-16 | 12-31-16 |  | 24,750 |
|  |  |  |  |  |
|  |  | **Income Summary** |  |  |
|  | 12-31-16 | 68,328 | 99,370 | 12-31-16 |  |
|  | 12-31-16 | 31,042 |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

**For questions 36 through 40, write the identifying letter of the best response on your answer sheet. Use the following code for all questions in this group:**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **A** |  $6,292 |  | **D** | $21,292 |  | **G** | $37,390 |  | **J** | $68,328 |
| **B** | $6,348 |  | **E** | $24,750 |  | **H** | $47,140 |  | **K** | $68,432 |
| **C** | $15,000 |  | **F** | $31,042 |  | **I** | $62,140 |  | **L** | $99,370 |

36. During 2016 how much did Jack contribute to the business from personal funds?

37. During 2016 how much did Jack withdraw from the business for personal use?

38. The Trial Balance on December 31, 2016 would include what amount for Jack

 Gregg, Capital?

39. The dollar amount of net income or net loss for 2016 was

40. The balance of Jack’s capital account on the Post-Closing Trial Balance dated

 December 31, 2016 is

**Group 6**

**At the beginning of the fiscal year 2016, Gomez Company’s assets were $94,321. During the year, assets increased by $6,324 and liabilities decreased by $3,744. At the end of the year, liabilities totaled $11,638. The owner made withdrawals of $20,000 and invested $5,000 in the business during the year.**

**For questions 41 through 43, write the correct amount on your answer sheet. (A net loss must be indicated on your answer sheet either in brackets or in parentheses. A minus sign is NOT acceptable.)**

41. What was the total owner’s equity at the beginning of the year?

42. What was the total owner’s equity at the end of the year?

\*43. What was the amount of net income or net loss for the year?

**Group 7**

**Write the identifying letter of the best term (items A through Z) to match to the descriptions in questions 44 through 49.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **A** | **annul** |  | **N** | **payor** |
| **B** | **blank endorsement** |  | **O** | **postdated check** |
| **C** | **canceled check** |  | **P** | **receiver**  |
| **D** | **credit card** |  | **Q** | **reject**  |
| **E** | **debit card** |  | **R** | **repudiated check** |
| **F** | **dishonored check** |  | **S** | **restraining endorsement** |
| **G** | **drawee** |  | **T** | **restrictive endorsement** |
| **H** | **drawer** |  | **U** | **special endorsement** |
| **I** | **impeded payment** |  | **V** | **stop payment order** |
| **J** | **impending check** |  | **W** | **unique endorsement** |
| **K** | **irrecoverable check** |  | **X** | **unresolved check** |
| **L** | **outstanding check** |  | **Y** | **vacant endorsement** |
| **M** | **payee** |  | **Z** | **void**  |

44. A check that a bank refuses to pay

45. A check returned by the bank with the word “paid” and the date of payment

46. A check that has been written but has not yet been presented to the bank for

 payment

47. A bank card that, when making purchases, automatically deducts the amount of the

 purchase from the checking account of the cardholder.

48. An endorsement consisting only of the endorser’s signature

49. A check with a future date on it located in the upper-right of the face of the check

**Group 8**

**Zodiac Company pays four employees weekly. Hourly wage employees are paid overtime at a rate of 1 and ½ times the regular rate of pay for hours worked over 40 hours in a week. The following information is available for the week ending February 10.**

**Quincy earns an hourly wage of $9.92 and he worked 61 hours. Theodore receives a salary of $650 per week plus a 2.7% commission on sales. Theodore worked 40 hours and was responsible for $19,620 worth of sales this week. Trevor earns an hourly wage of $9.14 and a piece rate of 3 cents. Trevor worked 49 hours and produced 21,812 pieces. Dwayne earns an hourly wage of $7.14 and he worked 46 hours.**

**For question 50, write the correct amount on your answer sheet.**

\*50. What was the total amount of gross earnings for the week?

**Group 9**

**Refer to the following Balance Sheet and the Additional Information below.**

|  |
| --- |
| **Betty’s Boutique** |
| **Balance Sheet** |
| **December 31, 2016** |
| **Assets** |  |  | **Liabilities** |  |
| **Cash** | **$ 6,790** |  | **Accounts Payable** |  **$8,115**  |
| **Accounts Receivable** | **8,620** |  | **Sales Tax Payable** |  **2,055** |
| **Merchandise Inventory** |  **?** |  | **Total Liabilities** |  |
| **Prepaid Insurance** | **1,170** |  |  |  |
| **Supplies on Hand** |  **910**  |  | **Owner’s Equity** |  |
|  |  |  | **Betty Voop, Capital** | **?** |
| **Total Assets** |  **$ ?** |  | **Total Liabilities and** **Owner’s Equity** |  **$ ?** |
|  | **========** |  |  | **========** |

**Additional Information:**

* **The balance in the capital account on January 1, 2016 was $22,230. The owner made an investment of $10,000 in the business in 2016 and withdrew $15,000 in cash for personal use.**
* **The amount of Merchandise Inventory as of 12-31-15 was $34,680. One of the adjusting entries on December 31, 2016 included a debit to Income Summary for $2,170.**
* **Two insurance policies premiums were paid during 2016 for $940 and $815. During 2016, $1,020 in insurance expired.**
* **Supplies Expense for 2016 was $4,110. Supplies on hand as of 12-31-15 were $820.**

**For questions 51 through 56, write the correct amount on your answer sheet.**

51. If the sales tax rate was 3%, what amount of taxable sales was required to generate

 the sales tax liability on the December 31, 2016 balance sheet?

52. What amount of supplies was purchased in 2016?

 \*53. What is the amount of total liabilities and owner’s equity as of 12-31-16?

54. What was the 1-1-16 balance of Prepaid Insurance?

\*55. Assume that half of the customer receivables were collected and that all of the

 liabilities were paid on January 1, 2017. What would be the amount of total assets

after these transactions?

 \*56. What was the amount of net income for the year 2016?

**Group 10**

**Brickman Sales prepares adjusting and closing entries only at the end of the fiscal year which is December 31.**

**The information below is taken from the adjusted trial balance of the worksheet for the twelve months ended 12-31-16. All accounts have normal balances. Total expenses are grouped together for simplicity.**

**The owner made one capital contribution during the year 2016 in the amount of $8,000. The gross profit percentage based on net sales is 46%.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Cash** | **24,318** |  | **Sales Discounts** | **3,689** |
| **Accounts Receivable** | **6,729** |  | **Sales Returns & Allowances** | **1,674** |
| **Inventory** | **18,120** |  | **Purchases** | **51,866** |
| **Accounts Payable** | **7,211** |  | **Transportation In** | **2,687** |
| **Bea Brickman, Capital** |  **?** |  | **Purchases Discounts** | **2,642** |
| **Bea Brickman, Drawing** | **7,500** |  | **Purchases Returns & Allow.** | **1,375** |
| **Income Summary** | **1,180 CR** |  | **Total Expenses** | **29,431** |
| **Sales** | **?** |  |  |  |

**For items 57 through 68, write the correct amount on your answer sheet.**

\*57. The amount of Sales on the trial balance is $\_\_\_\_\_.

58. The amount of capital on the trial balance is $\_\_\_\_\_.

\*59. The amount of capital in the general ledger on 1-1-16 before any 2016 transactions

 is $\_\_\_\_\_.

\*60. Total debits on the trial balance are $\_\_\_\_\_.

61. Cost of Delivered Merchandise is $\_\_\_\_\_.

62. Net Purchases is equal to $\_\_\_\_\_.

63. Cost of Merchandise Sold is $\_\_\_\_\_.

64. Net Sales are $\_\_\_\_\_.

65. Cost of Merchandise Available for Sale is $\_\_\_\_\_.

66. Gross Profit is $\_\_\_\_\_.

\*67. Net Income is $\_\_\_\_\_.

\*68. The amount of capital on the Post-Closing Trial Balance dated 12-31-16 is $\_\_\_\_\_.

**Group 11**

**The following employees of Best Mini-Cakes are paid an hourly wage plus overtime at a rate of 1½ times the regular rate of pay for hours worked over 40 in a week. The company is closed on weekends and there was not a national or company holiday this week.**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Employee** | **Hourly****Wage** | **Mon** | **Tues** | **Wed** | **Thur** | **Fri** |
| Vanilla Price | 8.50 | 8 | 8 | 8 | 8 | 7 |
| Alice Strawnberry | 9.00 | 8.5 | 8.5 | 7.5 | 9 | 9 |
| Deb Chocolatte | 9.50 | 8.5 | 7 | 7 | 8.5 | 10 |
| Pumpkin Davis | 10.50 | 11 | 10.5 | 8.5 | 8 | 11 |

**For question #69, write the correct amount on your answer sheet.**

 \*69. What is the total gross pay for all of the employees for the week?

**Group 12**

**Use the data in Table 1 on page 8 to answer questions 70 through 80.**

**For items 70 through 73, write “True” if the statement is true; write “False” if the statement is false.**

70. TruGreen charged more on account than it paid on account in 2016.

71. The owner’s capital account had a beginning balance that was less than its ending

 balance on the Unadjusted Trial Balance.

72. Supplies purchased during 2016 are $1,400.

73. Insurance Expense for 2016 is $2,400.

**For questions 74 through 78, write the identifying letter of the correct response on your answer sheet.**

\*74. The amount of cash paid on accounts payable in 2016 was:

 A. $1,800 B. $10,200 C. $23,140 D. $24,040 E. $36,940

\*75. The total amount received from credit customers in 2016 was:

 A. $1,510 B. $30,340 C. $33,980 D. $37,000 E. $43,350

\*76. The total amount of equipment purchased in 2016 was:

 A. $9,610 B. $10,000 C. $15,940 D. $20,000 E. $20,740

\*77. Total expenses on the income statement for 2016 were:

 A. $40,590 B. $41,190 C. $62,780 D. $66,430 E. $67,030

78. The amount of capital after 12-31-16 adjusting entries but before closing entries

 was:

 A. $11,340 B. $20,000 C. $21,340 D. $31,340 E. $35,260

**For questions 79 and 80, write the correct amount on your answer sheet.**

\*79. What is the net income for the year 2016?

\*80. What is the capital amount on the December 31, 2016 Post-Closing Trial Balance?

**This is the end of the exam. Please keep your answer sheet and test until the contest director calls for them. Thank you.**

***TABLE 1***

**(for questions 70 through 80)**

**The following information was taken from the accounting records of TruGreen Co. All accounts have normal balances.**

|  |  |  |
| --- | --- | --- |
|  | **Balances on 1-1-16** | **Balances on 12-31-16 After Adjusting Entries and Before Closing Entries** |
| **Cash** | **4,800** | **8,860** |
| **Accounts Receivable** | **3,640** | **5,150** |
| **Supplies on Hand** | **2,100** | **1,650** |
| **Prepaid Insurance** | **1,700** | **2,300** |
| **Equipment** | **-0-** | **?** |
| **Accounts Payable** | **900** | **2,700** |
| **Truman Green, Capital** | **?** | **?** |

**Information Regarding 2016 Transactions:**

1. **Services performed on account $35,490**
2. **Services performed for cash $44,860**
3. **Various expenses incurred and charged on account $25,840**
4. **Various expenses incurred and paid by cash $36,940**
5. **Insurance premiums paid in advance by check $2,400**
6. **Owner cash withdrawals $10,000**
7. **The supplies bought during the year were paid for by cash**
8. **Supplies used $1,850**
9. **Owner investment of cash during 2016 was $20,000**
10. **The remainder of the credits to Cash represent cash purchases of equipment**